



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION DECEMBER-2019

EXAMINATION FOR THE DIPLOMA IN RISK MANAGEMENT & INSURANCE

(YR I SEM II)

UNIT CODE: DMRI 1102

UNIT TITLE: RISK MANAGEMENT IN INSURANCE

DATE: 4TH DECEMBER, 2019

TIME: 2:00 PM – 4:00 PM

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

- (a) Discuss **FOUR** key aspects that a risk appetite statement should communicate (12 marks)
- (b) Discuss **FOUR** benefits of articulating risk appetite (8 marks)
- (c) Discuss the **Five-step** process of overseeing and treatment of the execution of functional group in risk management (10 marks)

QUESTION TWO

- (a) Discuss any **FIVE** steps involved in Risk management framework (10 marks)
- (b) Discuss **FIVE** main roles of a management board in risk appetite (10 marks)

QUESTION THREE

- (a) Discuss **FOUR** areas that management must analyze in developing a risk appetite (12 marks)
- (b) Discuss **FOUR** basic principles involved in management of underwriting risk (8 marks)

QUESTION FOUR

- (a) Discuss any **FIVE** responsibilities and priorities of management and functional group in risk management (10 marks)
- (b) Discuss **FIVE** ways in which insurance risks in underwriting are managed and mitigated (10 marks)

QUESTION FIVE

- (a) Discuss **THREE** important area of risk in insurance companies (9 marks)
- (b) Discuss any **THREE** approaches to risk management (6 marks)
- (c) Discuss the relationship between strategic business planning and risk management (5 marks)